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RE: U.S. Serial No. 10/647,158

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appl. No.	:	10/647,158	Confirmation No.: 1808
Applicant	:	Yuh-Shen Song	
Filed	:	August 21, 2003	
TC/A.U.	:	3627	
Examiner	:	James A. Kramer	
Docket No.:	:	7443-101XX/10310540	
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DENA HILL

Interview Summary/
Request for Reconsideration

Commissioner for Patents
MAIL STOP: NON-FEE AMENDMENT
P.O. Box 1450
Alexandria, Virginia 22313-1450

Dear Sir:

This will document the Telephone Interview on Friday 24 February between the undersigned and Examiner Kramer.

Discussed were claim 1 and the Wheeler reference. Applicants' attorney argued that amended claim 1 clearly patentably distinguished over the Wheeler reference (the only reference cited against this claim in the final rejection, and suggested that the application should be allowable without further amendment and without subjecting Applicants to the additional costs and delays normally associated with an Appeal. The Examiner concluded the interview by observing that Applicants' arguments warranted

further consideration prior to the filing of any Appeal Brief and requested that they be submitted in written form.

Claim 1 (the only independent claim) as currently amended reads as follows:

1. A method for verification and processing of a point of sale ("POS") financial transaction involving a payer's account at a financial institution, comprising:

identifying **a financial institution and a specific account at that institution based on a machine readable financial instrument** used in the transaction,

reading embedded identification information by the POS device from a machine-readable government issued identification card in the possession of the purported payer, **wherein said machine readable financial instrument is physically separate from said machine readable identification card**;

sending the payer's identification information, the identified financial institution and account information, and the transaction details read by the POS device **to a Validation and Processing Center** ("VPC") system **through networks**;

accessing **by the VPC system** through networks **to a remote database maintained by the financial institution** containing account available balance information and account holder information for said specific account;

verifying that the **embedded identification information** read by the POS device from the government issued identification card **matches the account holder information for the identified account stored in the remote database**;

verifying that the identified account has sufficient funds to cover a transaction amount specified by the payer; and

if the verification of both the identity of the payer and the amount of the transaction is successful, causing the specified amount to be electronically transferred from the specified payer's account to a designated payee.

Claims 2 through 15 and 18 though 21 are pending as originally submitted. Minor amendments have been entered into dependent claims 16 and 17.

Applicants' claimed invention is fundamentally different from Wheeler's. Among other things, Wheeler contemplates a system 300 [Fig 3] in which a **single** electronic device 350 is used not only to conduct secure communications 305, 309 between a user 302 and the ABDS database 310, but also to retain account identification information for multiple accounts held at multiple institutions 312, and to retain user identification information for verifying the identity of the card user 302. In effect, Wheeler's card 350 has become a new type of **secure financial instrument** that not only identities an account at a particular institution and other transaction details but **which also generates a digital signature that authenticates the identity of** the authorized holder of that instrument. Note that on column 15 lines 103-33 Wheeler actually teaches away from using a separate government issued ID card, since Wheeler's hardware token embodiment preferably takes the form of, inter alia, a card such as a credit card or ID badge. Moreover, although Wheeler contemplates an authentication process which entails the use of a "Secret" such as a password which functions as a "Factor B Entity Authentication" and/or a biometric characteristic ("Factor C Entity Authentication") such as a fingerprint (col 17, lines 6 through 19), that Secret or Biometric Value is typically embedded within Wheeler's device and is not even included in any Electronic Communication from the device, otherwise "even greater precautions must be taken to protect such biometric value from interception and discovery by others" (col 17, lines 22-26).

In contrast, as now explicitly claimed, Applicant contemplates that each user will have at least two physically separate machine readable cards or other machine readable instruments, one of which is used to identify the account, and the other being used to identify the person attempting to access the account. In particular, as now explicitly recited: "**said machine readable financial instrument is physically separate from said machine readable identification card**" A local POS terminal extracts the **account information from the first machine readable instrument** and extracts **personal identification information from the second machine readable instrument.**

Applicant's claimed invention also involves the use of a remote ("sending *** through networks") "VPC" processing system which not only **accesses a remote database maintained by the financial institution** associated with the account information extracted from the first machine to verify account available balance information, but also **to verify** that "the embedded identification information **read by the POS device from the government issued identification card matches** the account holder information for the identified account **stored in the remote database**";

As pointed out in the interview, Applicants have thus provided a simple and eloquent solution for minimizing fraudulent POS transactions which can be used with conventional machine readable financial instruments (such as a check or credit card) and with conventional machine readable government identification cards (such a driver's license or passport). The involved financial institution continues to have responsibility for maintain the account information associated with the financial instrument while the government continues to be responsible for ensuring the integrity of the identification card. However, since both instruments can be automatically read by the POS terminal and the information extracted from each sent electronically over a network to a remote "Validation and Processing Center" which is also networked to the financial institution's account database, it is now possible to automatically verify that the person withdrawing funds from indicated account is properly authorized to make such a withdrawal.

Moreover, since the identification information is maintained by the government on a government issued identification card, there is a high degree of confidence that the card and the embedded identification information will be protected from fraudulent alteration and misuse not only by government approved technical measures such as electronic watermarks and biometric verifications, but also by vigorous investigation of any suspected violations of the criminal law by the government personnel responsible for maintaining the integrity of the government issued identification cards.

Conversely, because the financial instrument merely has to identify a particular financial account at a particular financial institution and will only be accepted when presented in

person by an authorized accountholder, it need not contain any highly sensitive information and can even be in the form of a simple paper that is imprinted with text that can be read by both humans and machines.

Respectfully submitted,

Date: 2-28-2006

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